

SUMMARY OF DRAFT PROPOSAL

January 18, 2006 (7:33 p.m.)

Section 1: Creation of a new account to find storage projects. This section includes the one-third/two-thirds language, the \$50 million appropriation, placeholder language for user fees, and the language about monitoring how much water is left in stream.

Section 2: Odessa aquifer CREP study.

Section 3. Voluntary regional agreements.

Sections 4 & 5. Conservation inventory and implementation. Provides that states share of trust water will be proportionate to the share of state funding.

Section 6. Data collection.

Section 7. Requires recommendations to legislature regarding regional dewatering and water banking.

Section 8. Revision of the 2005 Capital Budget proviso so that the money does not lapse and will be spent to implement this bill. Report on progress to the legislature by December 1, 2006.

AN ACT Relating to managing water resources for the Columbia River; and adding a new chapter to Title 90 RCW.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. **Sec. 1.** (1) The Columbia basin water storage account is created in the state treasury. The account may receive direct appropriations from the legislature and receipts from user fees paid by water users that are based on construction, operation, and maintenance costs. For the biennium ending June 30, 2007, the sum of fifty million dollars is appropriated from the state general fund. Expenditures from the account may be spent only after appropriation in a manner that is consistent with this section.

(2) The department shall use expenditures from the Columbia basin water storage account to develop new and existing storage designed to provide access to new water

supplies within the Columbia basin to both instream and out-of-stream uses in accordance with this section.

(3) Any new water supplies developed and secured with funding from the Columbia basin water storage account shall be allocated as follows:

- (a) Two-thirds shall be allocated to out-of-stream uses; and
- (b) One-third shall be placed in the state trust water right program.

(4) Priority for out-of-stream uses shall be given to the following uses:

- (a) Alternatives to ground water for farmers in the Odessa sub-area aquifer;
- (b) Sources of municipal water supply for pending water right applications;
- (c) A new uninterruptible supply of water for the holders of interruptible water rights on the Columbia mainstem that are subject to instream flows or other mitigation conditions to protect stream flows; and

(d) New municipal, domestic, industrial, and irrigation water needs within the Columbia basin.

(5) The department shall monitor and evaluate the new water allocated to instream use under this section and section 3 of this act, and submit a decadal report to the appropriate committees of the legislature that identifies how much new water has been dedicated to instream uses.

NEW SECTION. **Sec. 2.** The Washington state conservation commission shall work with the department, the united states department of agriculture, and affected stakeholders in the Odessa sub-area aquifer to assess, develop and make recommendations for the initiation of a program that utilizes the federal conservation reserve program to set aside land that is currently irrigated from deep-well ground water in exchange for reasonable financial incentives or compensation to deep-well irrigators in the Odessa sub-area aquifer. The purpose of the reserves would be to decrease the demand on groundwater from the aquifer until a permanent solution is implemented involving the delivery of surface water to the irrigators and municipalities located in the Odessa sub-area aquifer. The program shall not involve the permanent acquisition of water rights by the state and shall not exceed more than one-third of the deep-well irrigated acres in the Odessa sub-area aquifer.

NEW SECTION. **Sec. 3.** (1) The department may enter into voluntary regional agreements to establish the conditions under which

certain water uses will be approved. At a minimum, the department must ensure that voluntary regional agreements provide water to out-of-stream users while maintaining Columbia mainstem river flows.

NEW SECTION. Sec. 4. (1) To support securing water through conservation, the department, the conservation commission, the department of agriculture, and the department of fish and wildlife shall work, as local circumstances indicate are appropriate, with local conservation districts, irrigation districts, the United States bureau of reclamation, water users, fish, wildlife, and natural resource managers, local watershed planning organizations, and other parties to develop a Columbia water conservation inventory. The inventory must include:

(a) A list of potential new conservation projects or expansions of existing conservation projects in the Columbia river basin, including feasible projects in adjoining tributaries;

(b) Estimates of project costs and benefits;

(c) A ranking of projects from the least expensive per acre-foot of water conserved to the most expensive;

(d) A ranking of projects from the most beneficial to fish to the least beneficial; and

(e) A ranking of projects from the most beneficial to agriculture to the least beneficial.

(2) The department, the conservation commission, the department of agriculture, and the department of fish and wildlife shall complete the Columbia water conservation inventory by November 15, 2006, and update the inventory annually thereafter.

(3) The Columbia water conservation inventory should rely on conservation project inventories already completed by existing local planning groups, and supplement the existing information with new information as necessary.

NEW SECTION. Sec. 5. (1) The department, and any other state agency, shall implement conservation projects identified for Columbia river water as legislative appropriations allow. Priority in funding conservation projects should be based on both costs and benefits and should ensure that the most cost-effective and beneficial conservation projects, consistent with the implementing agency's

program objectives, are funded before more expensive or less beneficial conservation projects are funded.

(2) The water conserved as a result of state investment in conservation projects shall be permanently held in trust by the state in proportion to the share of funding provided by the state to complete the project. Water held in trust under this section shall be used to mitigate for new out-of-stream uses and to improve instream flows for the benefit of fish and other instream values.

NEW SECTION. Sec. 6. (1) To establish a more complete understanding of current water uses, the department shall compile, and if necessary collect, all existing information and publish data on:

(a) The total aggregate quantity of water issued under state permits and certificates and filed under state claims on the Columbia mainstem and for ground water within one mile of the mainstem;

(b) The total aggregate volume of current water use under these rights as metered and reported by water users;

(c) The quantity of water that is currently inchoate or under development under these rights;

(d) Conservation projects that have been implemented under this chapter and the amount of water conservation they have achieved; and

(e) Other relevant water use data.

(2) The department shall collect this data annually and publish it on the department's web site no later than November 1st of each year.

NEW SECTION. Sec. 7. By July 1, 2006, the department shall convene discussion groups, including all appropriate stakeholders, to make recommendations on the following:

(1) Addressing regional equity in the sources of water supplies and mechanisms to prevent interregional water transfers that jeopardize the economic development of any region, including mechanisms to provide for water supplies in other regions while retaining the water right in the region of the water source; and

(2) Whether a water bank for the Columbia mainstream would simplify and improve the approval of water leases, loans, and exchanges, reduce the time and costs associated with such

transactions, and increase the availability of water-related information.

Sec. 8. 2005 c 488 s 332 is amended to read as follows:

FOR THE DEPARTMENT OF ECOLOGY

Columbia River Initiative (06-2-010)

The appropriation in this section is subject to the following conditions and limitations:

(1) \$6,000,000 is provided solely for feasibility studies related to off-mainstem storage projects and impacts of changing operations at the Potholes reservoir, and grant funding for the purchase and installation of water measuring devices.

(2) Of the amount appropriated in this section, \$10,000,000 (~~((may not))~~) shall be expended (~~((prior to enactment of state legislation that establishes the policy requirements for a new water resources and water rights management program for the Columbia river mainstem. If such legislation is not enacted prior to June 30, 2006, this amount shall lapse))~~) to begin implementation of sections 1 through 7 of this act. The department shall report progress under this section to the appropriate committees of the legislature by December 1, 2006.

Appropriation:

State Building Construction Account--State	\$16,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$52,610,000
TOTAL	\$68,610,000

NEW SECTION. **Sec. 9.** This act takes effect July 1, 2006.

NEW SECTION. **Sec. 10.** Sections 1 through 6 of this act constitute a new chapter in Title 90 RCW.

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